

World Bank eyes India as Africa rail partner

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The World Bank and New Delhi are in talks about financing the international expansion of Indian Railways, one of the largest and most profitable networks in the world, to bring transport infrastructure to African countries and other developing nations.

Robert Zoellick, World Bank president, said the Washington-based multilateral lender wanted to build on a \$2bn commitment to strengthen India's rail system by helping state-owned **Indian Railways** to grow beyond its borders.

"We can help the Indian Railways in India, but also, as they develop greater efficiencies, to move abroad," Mr Zoellick said during a four-day visit to India.

An ambitious partnership with Indian Railways is at the heart of a World Bank strategy to persuade India and China, two of the fastest-growing large economies, to participate more directly in the development of the world's poorest nations. India, Asia's third largest economy, is the largest borrower from the World Bank with about \$22bn (€14.8bn, £13.3bn) invested in projects.

"It fulfils what I was hoping to achieve when I first came to the bank, which is to draw in some of the emerging economic development [countries] into the development process whether by sharing information, sharing business models and expanding investment," Mr Zoellick said.

"We've done it with China. I'd like to do it with **India**, and I hope to do it with other countries."

Indian Railways, which has revenues of about \$18bn, carries 20m passengers a day on about 18,000 trains and employs 1.4m people. It is one of the few mixed traffic systems, carrying both passengers and freight, that generates a cash surplus.

Indian Railways has a growing business in Africa. It has supplied locomotives to Mozambique, Tanzania, Mali and Senegal, and coaches to Angola. It has also rehabilitated stretches of track in Mozambique and Liberia, countries both recovering from conflict.

The World Bank's rail partnership with India coincides with the lender's discussions with Beijing about shifting lower-value **Chinese manufacturing operations** to Africa. Mr Zoellick described this initiative as the "top priority" of China in its relationship with the World Bank.

Mr Zoellick said the World Bank Group was also prepared to be a partner with India's "outward-orientated" private sector companies as they expanded abroad, particularly in developing countries. He singled out healthcare as one of the most promising sectors where "revolutionary business models" were being developed to deliver low cost, quality heart and cataract treatments and where capital was put to use speedily in hospital development.

"In some service industries, including health, I would like us to partner, through the **International Finance Corporation**, to support those industries going to other developing countries, particularly sub-Saharan Africa, and provide these additional services," he said.

Not everyone is so optimistic about the prospects for Indian Railways. Parvesh Minocha, managing director of the transport division of Feedback Ventures, a Delhi-based infrastructure consultancy, said rail was a laggard in efforts to modernise the transport sector. He said Mamata Banerjee, the rail minister, was focusing on non-core activities rather than improving rail services across India since taking up office six months ago.

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